

~~SECRET~~

NSC BRIEFING

13 May 1954

THE STRIKE SITUATION IN HONDURAS

- I. Strong circumstantial evidence links Guatemalan Communists to strike:
  - A. Guatemalan Communist agitators long reported in area.
  - B. Effectiveness of strike shows long efficient planning.
  - C. Striker ultimatum suggests other than bona fide labor objectives.
  - D. Strike leaders have adequate funds.
  - E. Unauthorized Guatemalan plane landed in area on 1 May.
  - F. Honduras closed two Guatemalan consulates in area on 5 May.
  - G. Guatemalan ambassador recalled for consultation.
  - H. Communist literature found in area.

~~SECRET~~

~~SECRET~~

- I. Guatemalan reportedly preparing to cross border.
- J. Guatemalan labor confederation offered "moral and economic support."

II. Strike well timed.

- A. Three-way political split re Honduran October presidential elections.

1. Nationalist Party - Candidate: 80-year old unpopular ex-dictator Carias.



2. Reformist Party - Candidate: General Williams, pro-US, backed by President Galvez'

25X1

~~SECRET~~

~~SECRET~~

3. Liberal Party - Candidate:  
Dr. VILLEDA; traditional  
opposition party, now be-  
lieved Communist-infiltrated.

B. Carias could use lack of de-  
cisive government action as pre-  
text for coup.

III. Government can probably maintain order

A. Strikers are still orderly.  
B. Government promptly reinforced  
troops in strike area

IV. Since workers have some real grievances,  
strike susceptible to Communist ex-  
ploitation.

A. Communists might gain entering  
wedge in politics in return for  
strike settlement.  
B. Non-Communist leftists sym-  
pathetic to strikers' cause.

~~SECRET~~

- C. United Fruit Company is strong emotional issue throughout Central America.

~~SECRET~~